



# The Medicare-Medicaid Accountable Care Organization (MMACO) Model

## Welcome to Today's Webinar

*We will begin at 1:00 PM ET*

*Dial-in: 1-800-832-0736*

*Meeting Room: \*6291628#*

*Note: All attendee phone lines are muted to prevent audio feedback*



# The Medicare-Medicaid Accountable Care Organization Model



## ***Medicare State Shared Savings***

***Brede Eschliman***  
*Center for Medicare and  
Medicaid Innovation (CMMI)*

# Tips for a Successful Event

- **Telephone**

- All attendee phone lines are muted
- This session will be recorded for posting online

- **Webinar Environment Features**

- Please submit any questions you have in the Q & A box. The model team will review and post any unanswered questions on the model team website.
- Download the slides in the box in the lower right corner of your screen
- A short survey will be available at the end of the presentation

Type questions here and hit "Enter"

Click here to download a PDF copy of the slides

Download Presentation

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# MMACO Model Webinars

- **May 11, 2017: Model Overview**

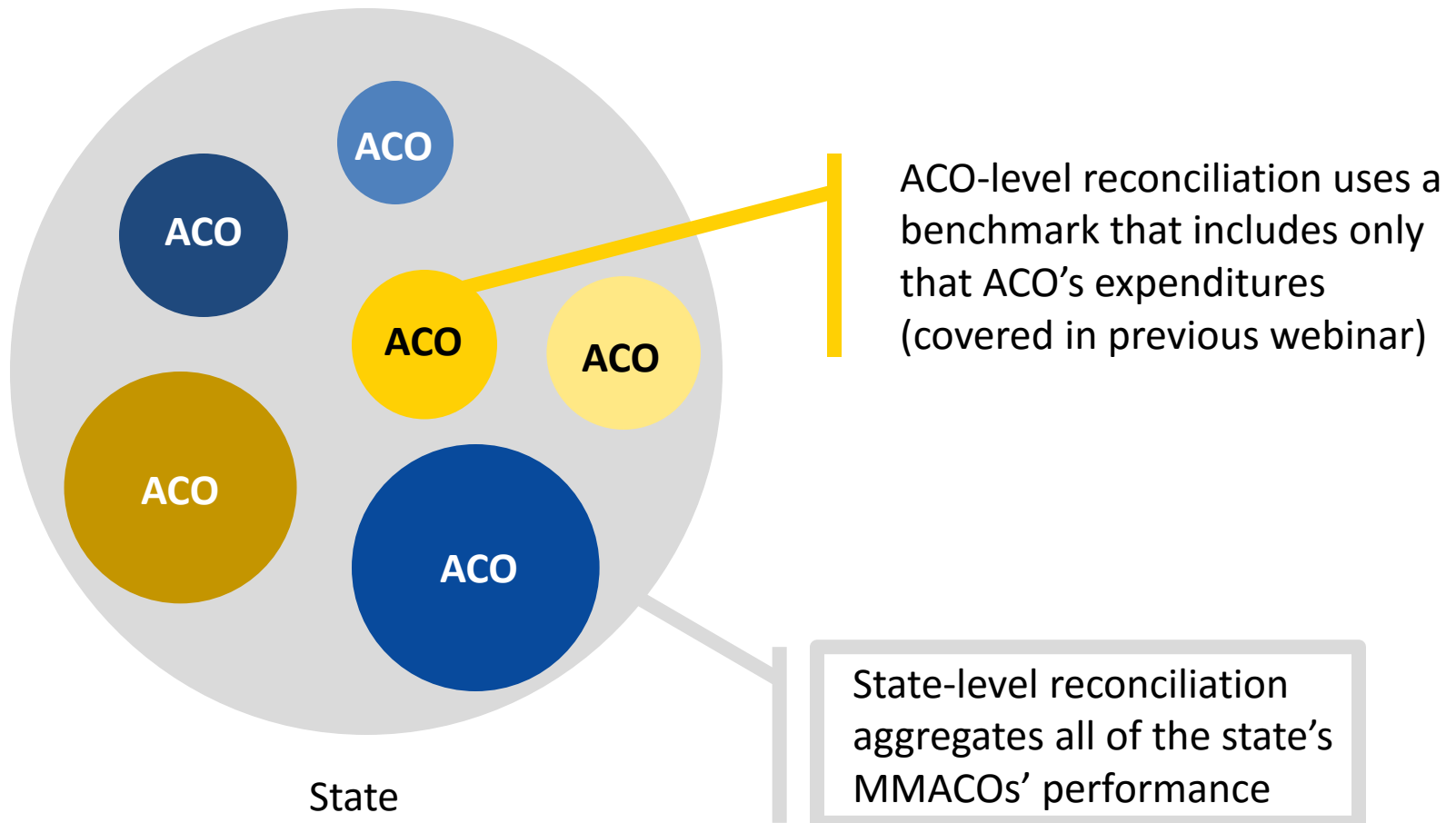
Recording Link: <https://innovation.cms.gov/resources/mmaco-webinar.html>

- **June 8, 2017: Beneficiary Assignment and Financial Methodology**

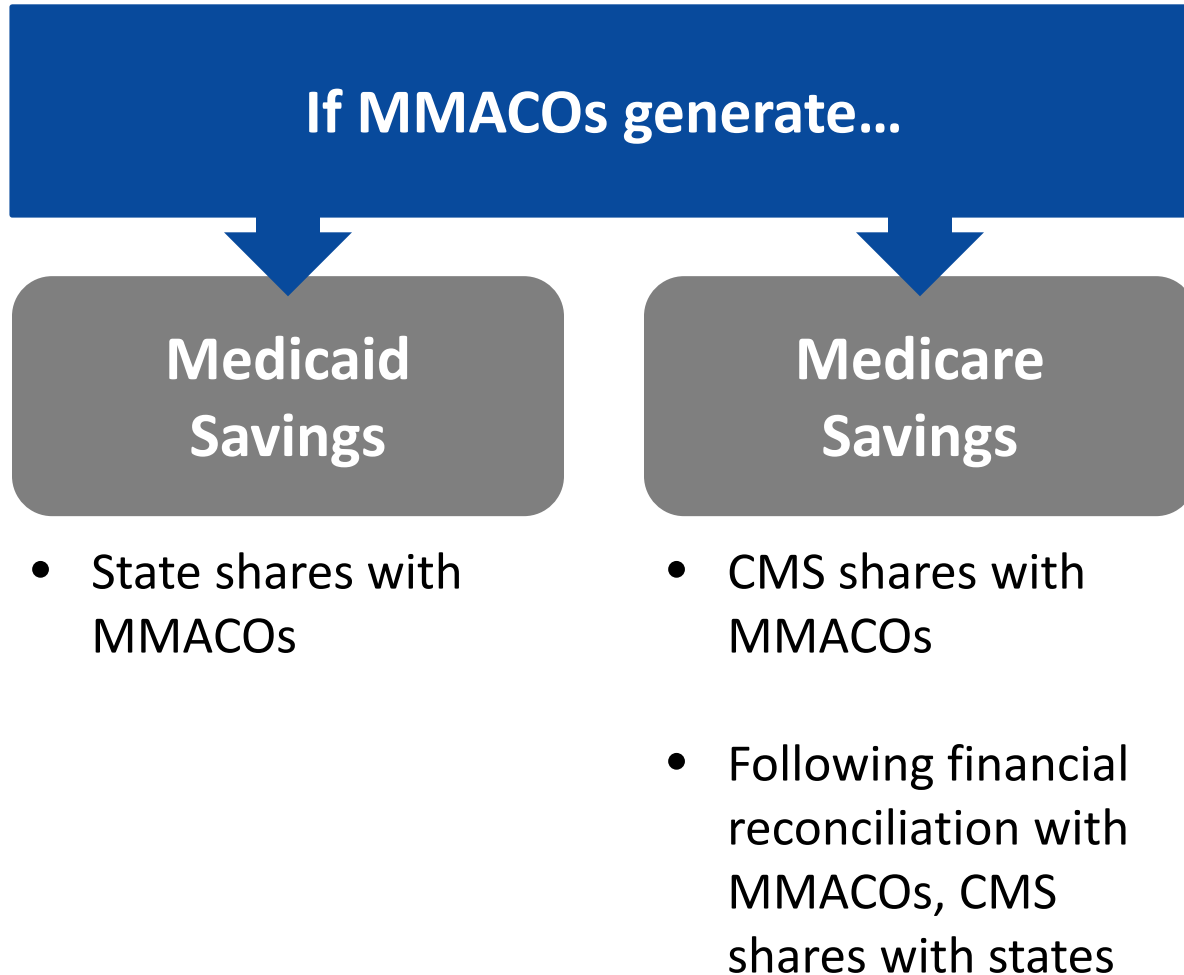
Recording Link: Coming soon!

- **TODAY: Medicare State Shared Savings Methodology**

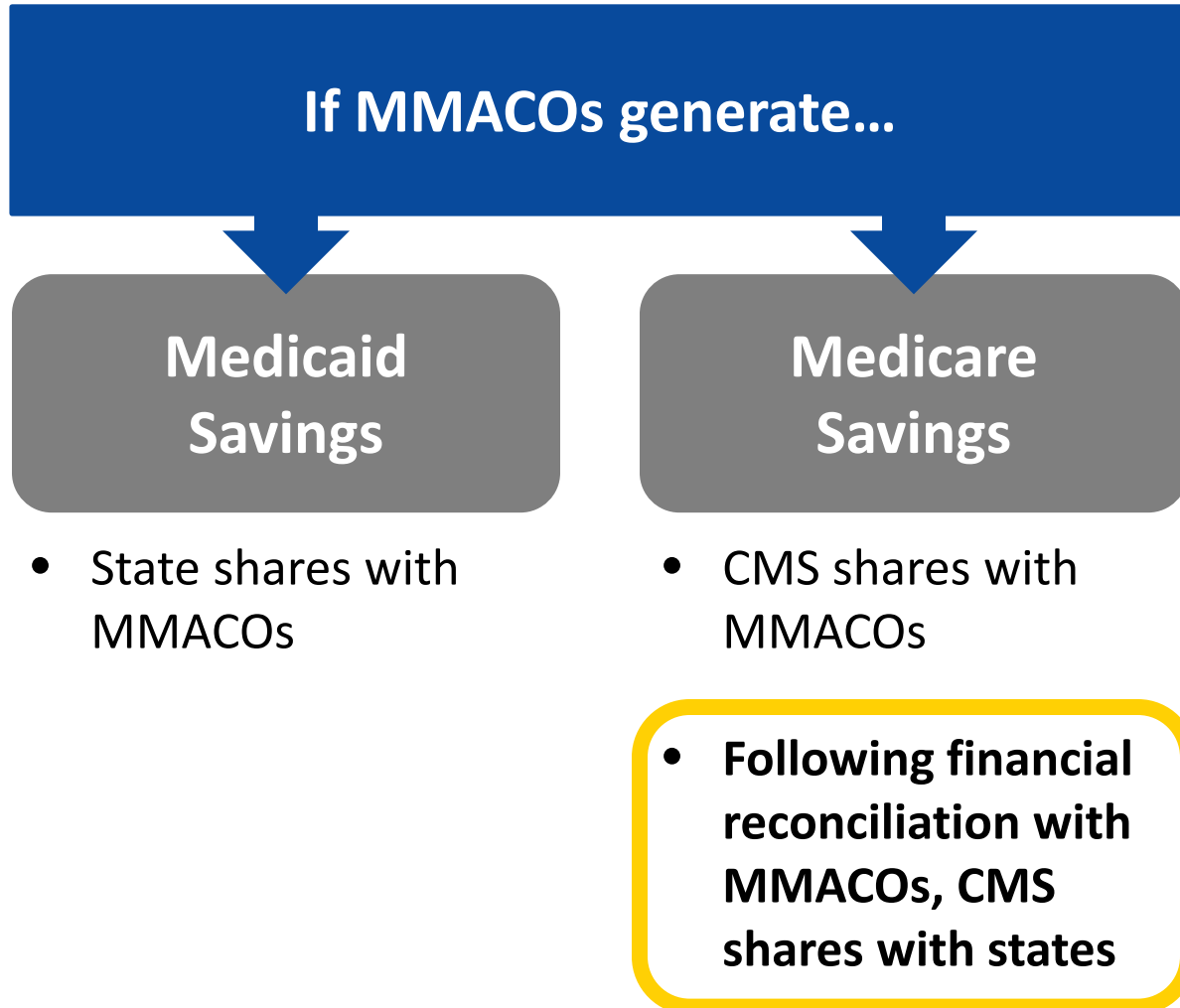
# Two Levels of Reconciliation



# Medicare State Shared Savings



# Medicare State Shared Savings



# State Shared Savings Methodology

1) Three preconditions must be met in order for states to be eligible to share in Medicare savings

***If preconditions are met →***

2) The Medicare state shared savings methodology determines what amount of Medicare savings, if any, to share with states



# State Shared Savings Methodology

**1) Three preconditions must be met in order for states to be eligible to share in Medicare savings**

*If preconditions are met →*

2) The Medicare state shared savings methodology determines what amount of Medicare savings, if any, to share with states

# Medicare State Shared Savings

## *Preconditions*

Medicare Shared  
Savings Program  
Target Population

Included in  
MMACO  
Target Population

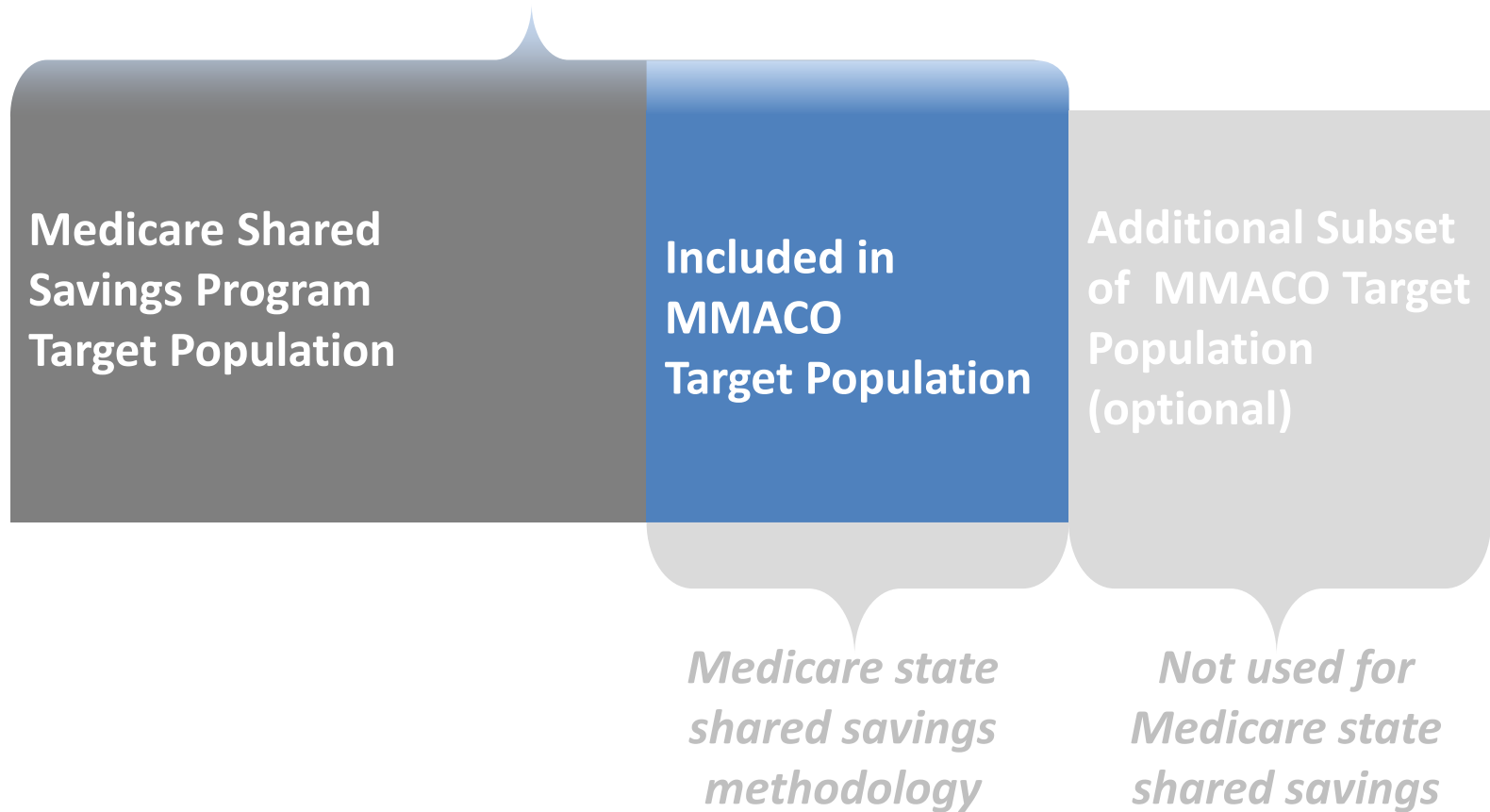
Additional Subset  
of MMACO Target  
Population  
(optional)

*Medicare state  
shared savings  
methodology*

*Not used for  
Medicare state  
shared savings*

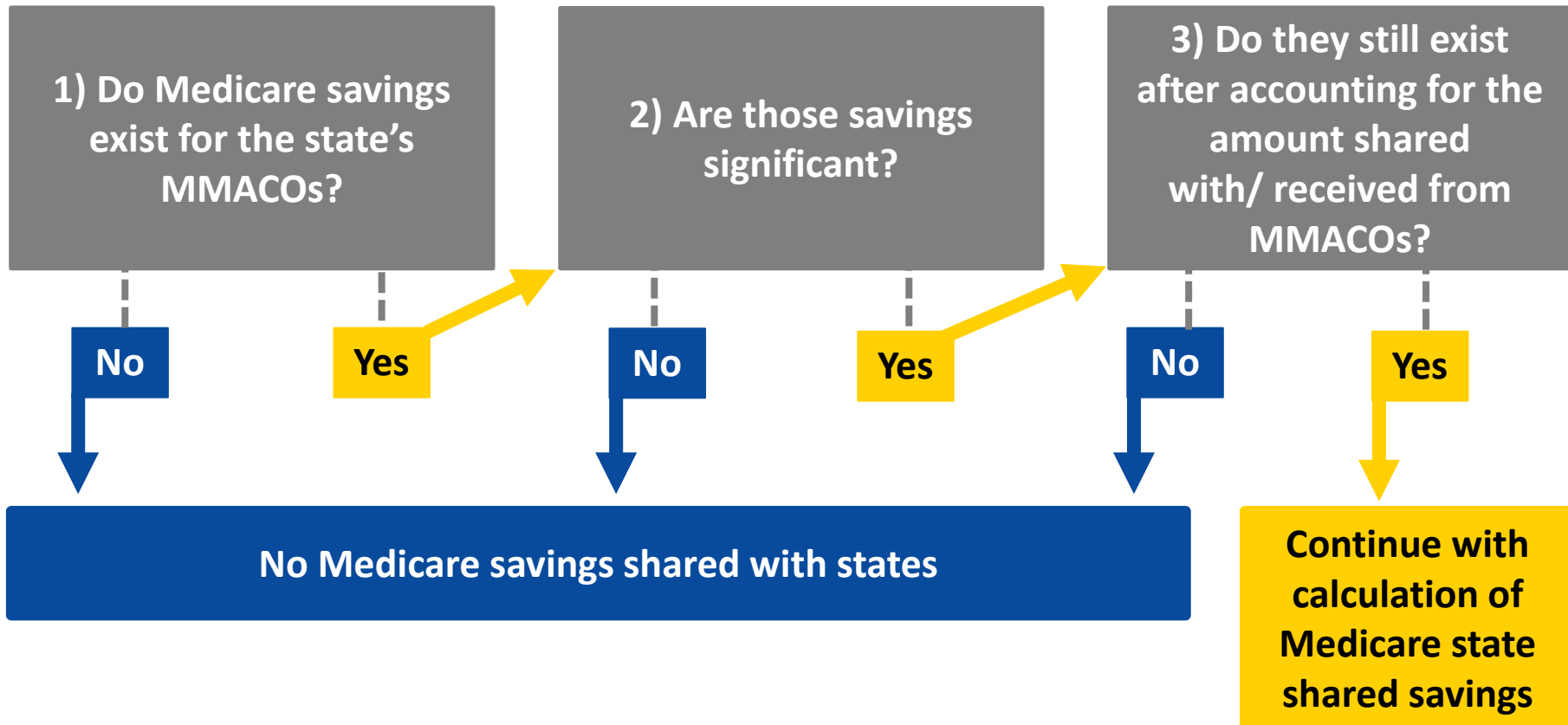
# Preconditions

## *Preconditions*



# Preconditions

All three preconditions must be met in order to proceed with Medicare state shared savings calculations



# State Shared Savings Methodology

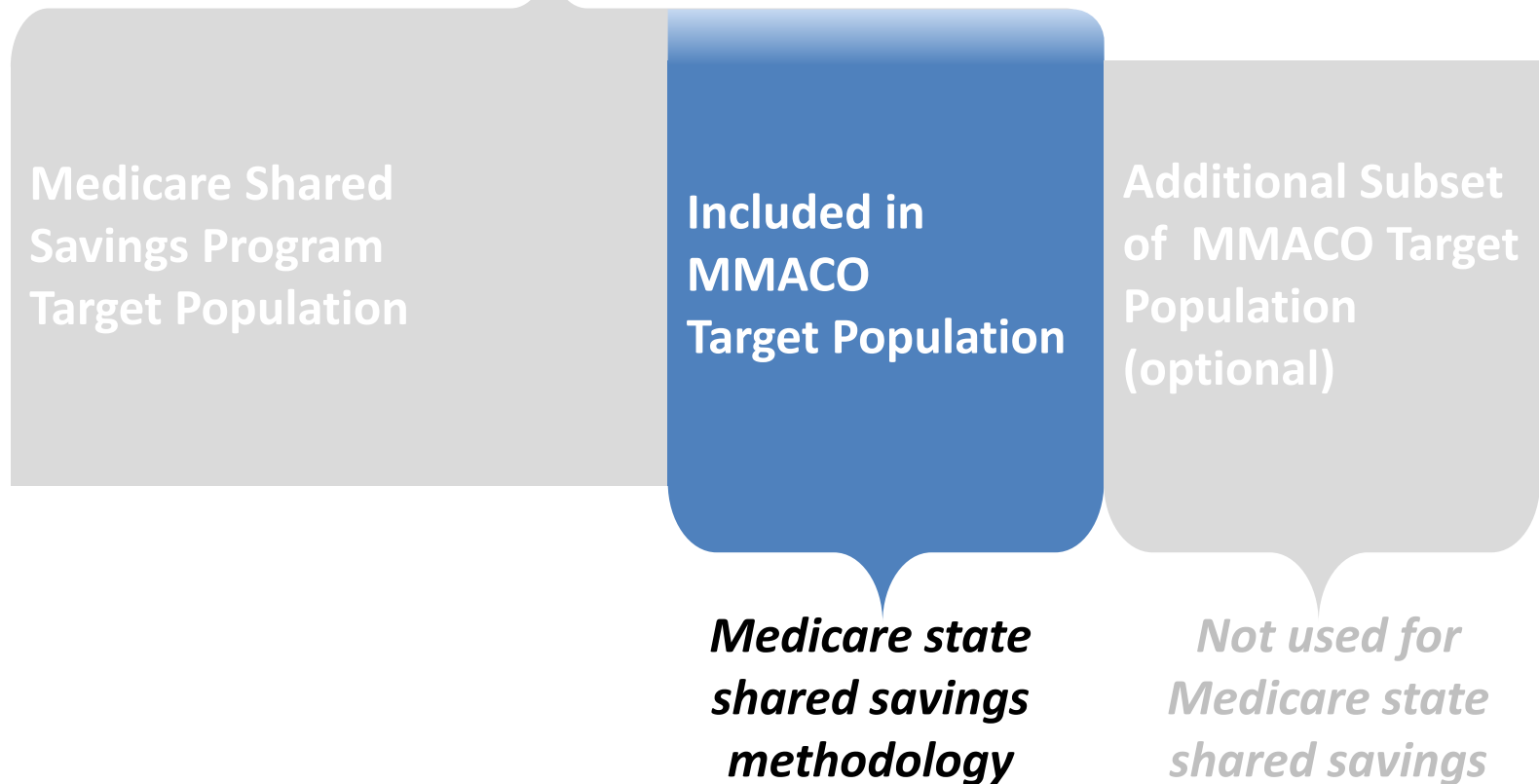
1) Three preconditions must be met in order for states to be eligible to share in Medicare savings

*If preconditions are met →*

**2) The Medicare state shared savings methodology determines what amount of Medicare savings, if any, to share with states**

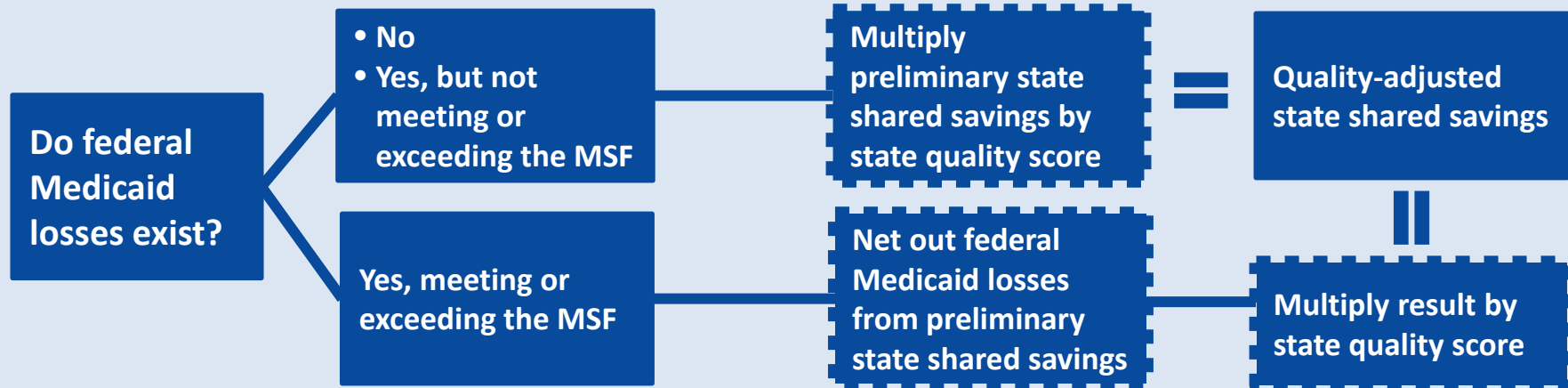
# State Shared Savings Methodology

## *Preconditions*



# State Shared Savings Diagram

## Step 1



## Steps 5-6

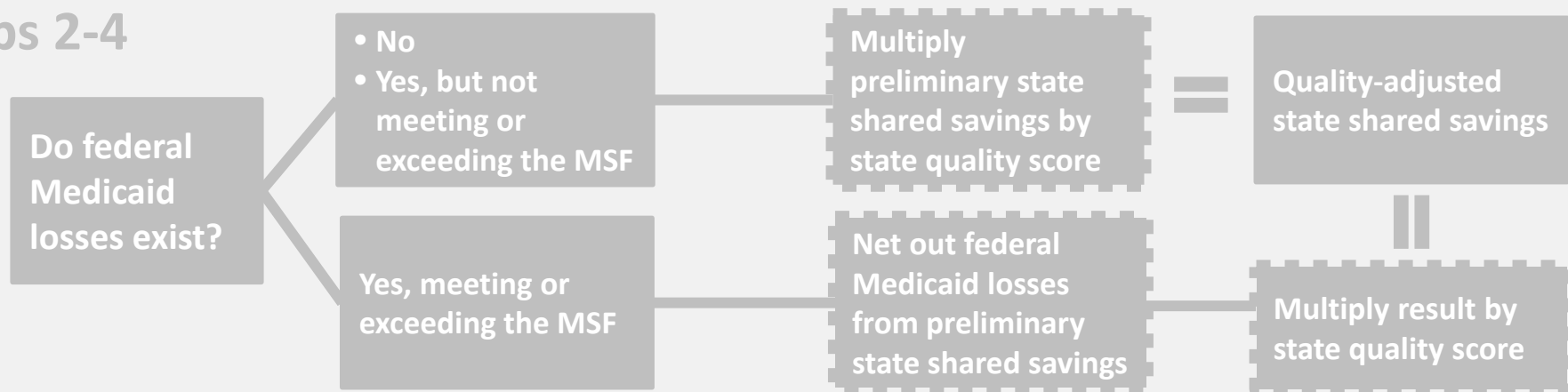


# Step 1: Preliminary State Shared Savings

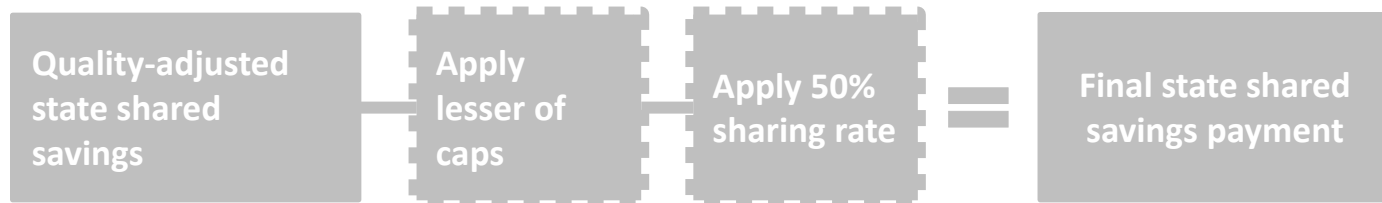
## Step 1



## Steps 2-4



## Steps 5-6





## Step 1: Preliminary State Shared Savings

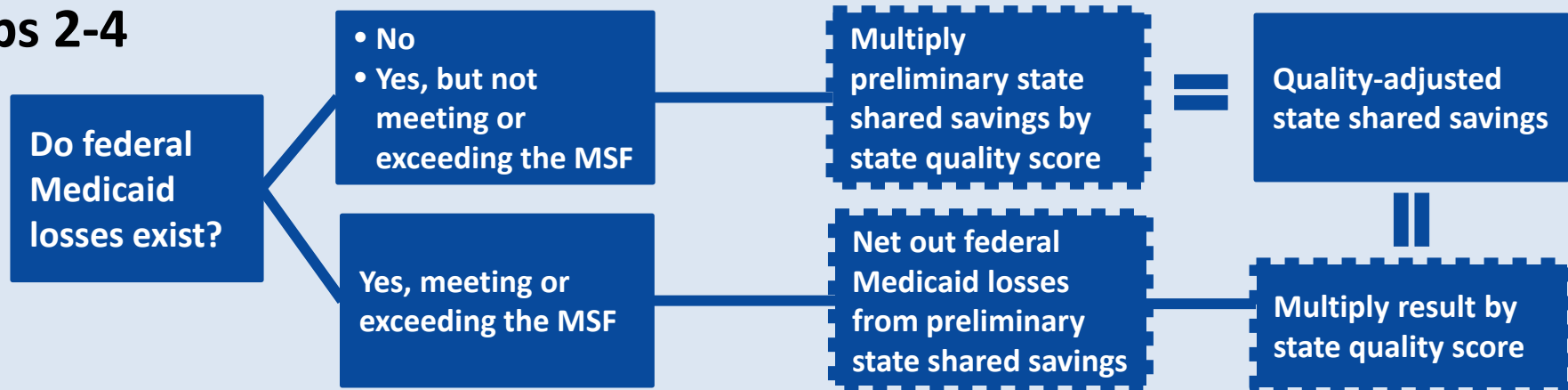
- Calculate the aggregate state Medicare savings for the beneficiaries who are assigned to both the MMACO Model and the Medicare Shared Savings Program
- Net out the Medicare shared savings paid to/ shared losses received from MMACOs from the aggregate state Medicare savings for this population

# Steps 2-4: Federal Medicaid Losses and Quality Adjustment

## Step 1



## Steps 2-4



## Steps 5-6



## Steps 2-3: Accounting for Federal Medicaid Losses

- Determine whether any federal Medicaid losses for this population must be netted out from the aggregate Medicare savings
  - If federal Medicaid savings exist
    - **No federal Medicaid losses are netted out**
  - If federal Medicaid losses exist
    - If losses do not meet or exceed the state's Medicaid Significance Factor (MSF)
      - **No federal Medicaid losses are netted out**
    - If losses do meet or exceed the state's MSF
      - **All federal Medicaid losses are netted out**

## Step 4: Quality Adjustment

- Calculate the state aggregate quality score

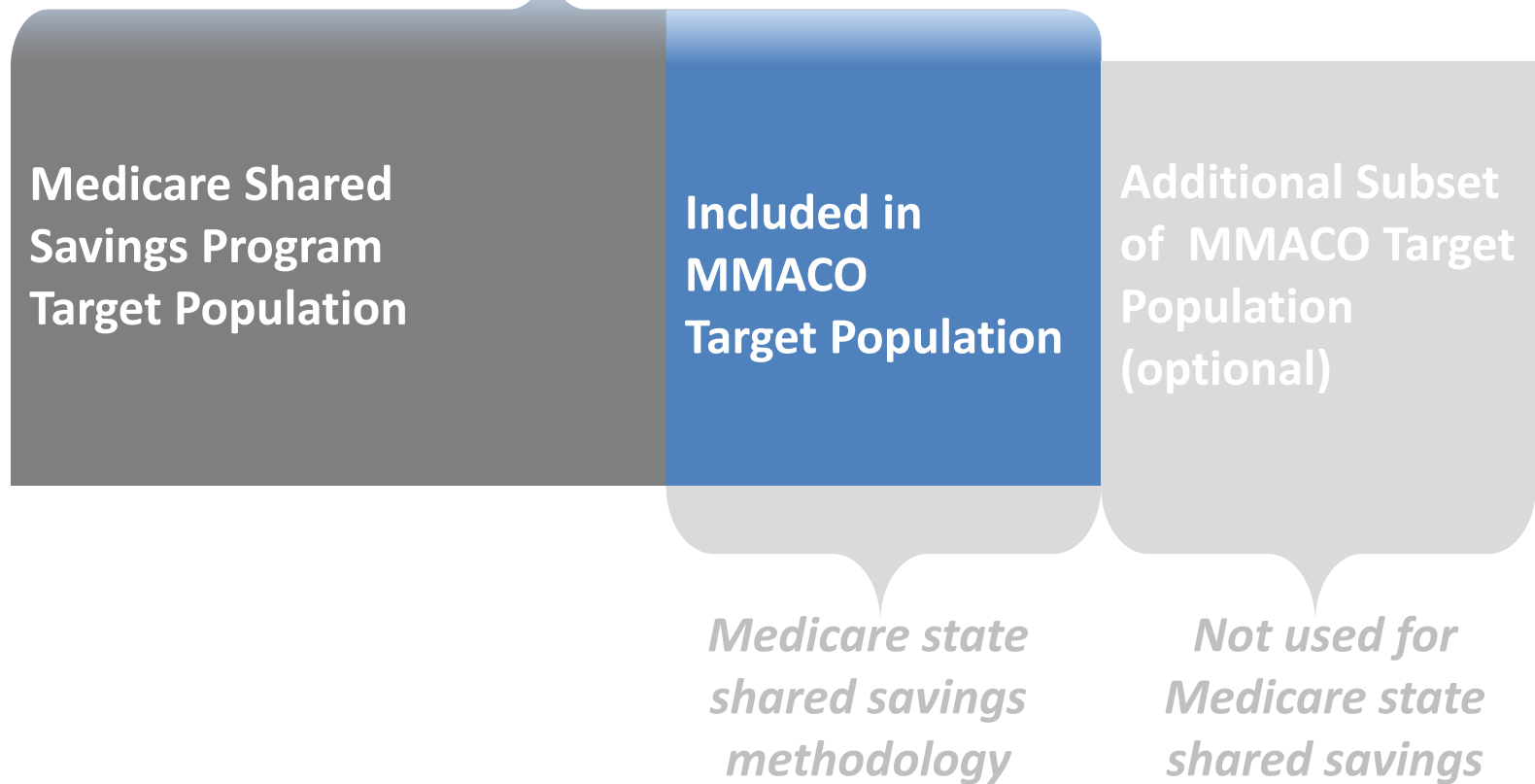
$$\sum_{j=MMACO} \frac{(MMACO \text{ quality score}) * (MMACO \text{ beneficiary years})}{Total \text{ state beneficiary years}}$$

- Multiply the preliminary state shared savings by the aggregate quality score

*\*\*The quality scores will include the entire population of beneficiaries assigned to MMACOs through the Shared Savings Program, not only those beneficiaries concurrently assigned to the MMACO Model for Medicaid accountability\*\**

# Quality Score Population

## *Aggregate quality score population*

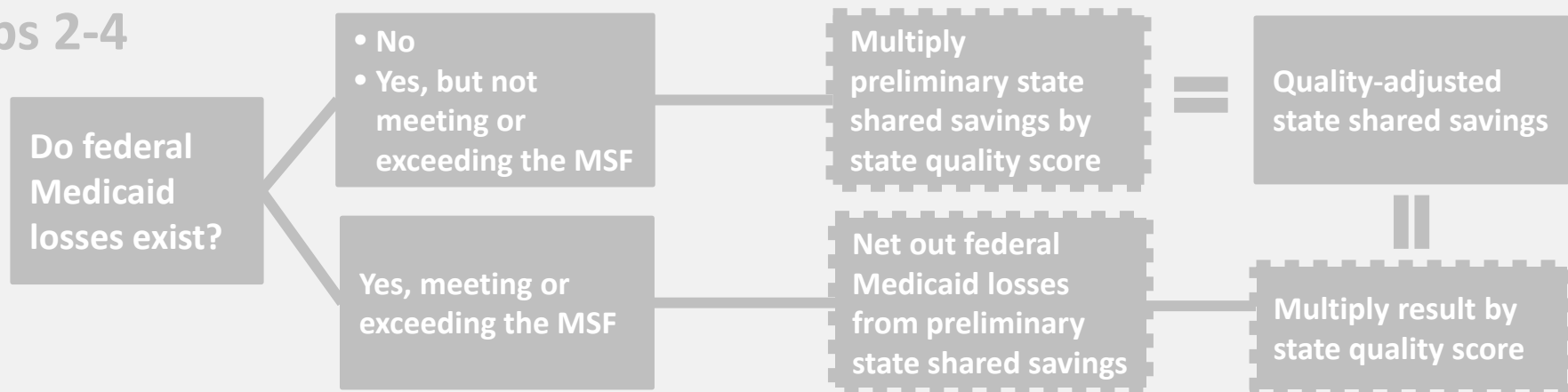


## Steps 5-6: Cap and Sharing Rate

### Step 1



### Steps 2-4



### Steps 5-6



## Step 5: Cap

- **Cap state shared savings at the lesser of...**
  - The preliminary state savings from step 3 with any federal net Medicaid losses subtracted or any federal net Medicaid savings added
  - 6% of the aggregate state Medicare benchmark for Shared Savings Program beneficiaries concurrently assigned to the MMACO Model for Medicaid accountability

## Step 6: Sharing Rate

- **Apply a sharing rate**
  - CMS will apply the sharing rate of 50 percent to the value from Step 5 and pay shared savings to the state.

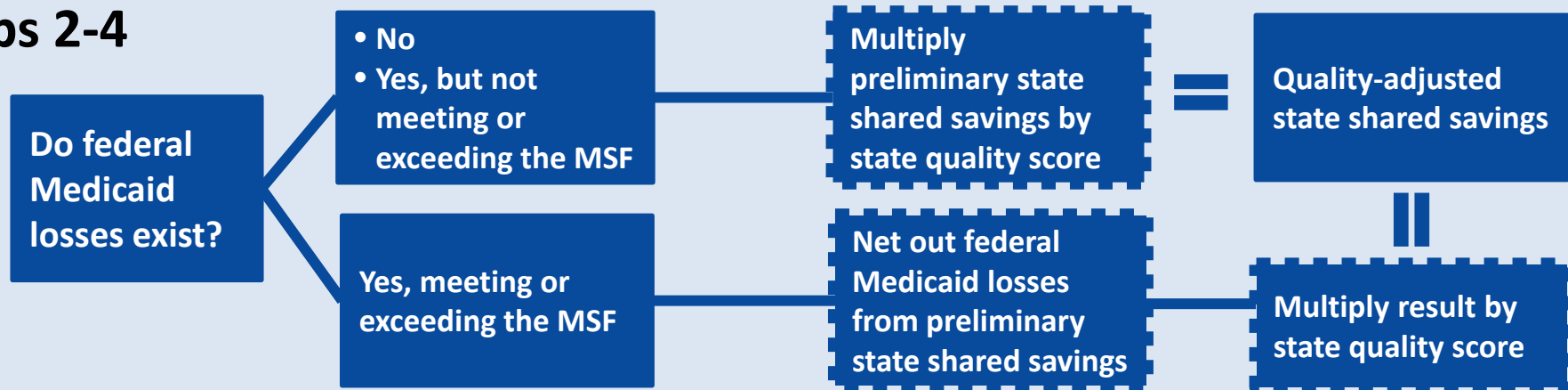


# State Shared Savings Diagram

## Step 1



## Steps 2-4



## Steps 5-6



## More Information

- **Innovation Center website**  
<https://innovation.cms.gov/initiatives/medicare-medicaid-aco-model/>
- **Request for Letters of Intent**  
<https://innovation.cms.gov/Files/x/mmaco-loi.pdf>
- **FAQs**  
<https://innovation.cms.gov/Files/x/mmaco-faq.pdf>
- **Email inbox**  
[MMACO@cms.hhs.gov](mailto:MMACO@cms.hhs.gov)

# Questions?

- We appreciate your feedback on this webinar
- You will have the opportunity to complete a brief survey shortly